Background

RnD Energy LLC formed with the intent to participate in the legal and acceptable business of natural gas aggregation. This business is common in the natural gas industry. There are aggregators in virtually every state where energy deregulation exists. The reason these businesses have been so successful is because they help level the playing field for consumers who are purchasing natural gas in a deregulated environment.

Aggregators in other states have been able to benefit the average consumer in much the same way that a Costco or a Sam's club might. By combining customers with volumes of natural gas together for one bulk purchase, two changes occur. One, the natural gas supplier has a greater incentive to offer a more competitive price because the volume is significantly increased. Two, the natural gas supplier can afford to lower the incremental price while still maintaining an adequate profit margin.

Thus, just in the case of any other collective bargaining situation, the buyer gives the seller something the seller wants and in return the seller can (by virtue of the fundamental laws of economics) and often does (by virtue of increased competition) give the buyer something the buyer wants. This was certainly the case during the 2006 Wyoming Choice Gas Selection period, where RnD Energy negotiated a price several cents lower than any posted price for every one of our clients (Exhibit A).

When energy was deregulated, the idea of letting market forces control prices through competition was at the very cornerstone of the argument for deregulation to occur. Aggregators all across the country merely seek to help their clients by increasing the level of competition. Of course, natural gas suppliers all across the country have not necessarily been as excited about increasing the level of competition; since increased competition can mean decreased profit margins. The arguments posed and the questions asked have all been raised a hundred times over in other states. The difference in this situation vs. other states is that aggregation was allowed to take place.

Indeed, according to a press release by the Sate of New Jersey, Division of the Ratepayer Advocate, "The benefits of energy deregulation have not flowed to New Jersey's residential and small commercial ratepayers…That is why I am launching today a comprehensive, statewide energy conservation and aggregation effort…Right now, conservation and aggregation are the only realistic alternatives to rising energy costs for residential ratepayers and small business customers."

Pre 2006 Selection Period

After receiving regulatory approval, RnD Energy began enrolling customers in our energy pool. This pool included commercial, industrial, governmental and residential end users in the Choice Gas Program and represented over two hundred accounts. Some of our customers had pooled together in the past while others were not even aware that they could aggregate together in order to receive a negotiated rate. All of the participants, however, were very happy to have someone organize a group like the one RnD Energy proposed and were equally pleased that they would finally have someone who had experience in the natural gas industry representing their interests and not the interests of the suppliers.

The Box Butte County Commissions unanimously approved a motion to participate in the RnD Energy Pool. The members of the Crawford City Council were equally excited to join our pool. Numerous residential and small commercial customers praised our efforts and were glad that they could finally retain someone to make a decision for them that was complex and in some cases unwanted. Finally, in a public meeting in Alliance Nebraska, City Councilman and ACE Representative Dan Kusek, admitted that in the past the City of Alliance had aggregated together and negotiated on behalf of various entities within the city limits of Alliance and did receive a lower negotiated rate from ACE than the rate ACE posted on its website. This clearly illustrated how suppliers had, in the past, not only offered negotiated prices to groups of customers, but that the negotiated prices offered were better than the posted prices for individual commercial or residential customers.

The willingness of ACE and other suppliers to work with small groups or pools of customers demonstrated that in the past, suppliers had no concerns or issues regarding aggregation. Nor did they have any objections to working with groups of customers where one person was the decision maker for everyone in the group. However, the attitude of the suppliers seemed to change abruptly when there was a professional energy consultant handling the negotiations and the pool size was significantly larger.

Negotiations with Choice Gas Suppliers:
Public Alliance for Community Energy (ACE)

The first indication of this change came when RnD Energy contacted ACE on the first day of the selection period. ACE initially informed us that they would be willing to provide a negotiated quote but only for our commercial customers. RnD Energy was told that the policy for providing negotiated prices to residential customers had recently changed. ACE stated that the policy had changed because they did not want to have one residential customer receiving a different price than another ACE residential customer; even though, by virtue of the prices changing up to two times a day, one customer receiving a better or worse rate than someone else is all but guaranteed. Furthermore, ACE already offered different prices for different commercial customers on their web page and told customers to call in for even more special rates that were not posted. RnD was left to wonder why a commercial customer should be able to benefit more than a group of residential customers; especially if the residential group had the same volume and load profile as a large commercial.

On the second day of the selection period, Claudia Stetler of ACE informed us that ACE would not be willing to provide a quote on any pooled or aggregated volume we represented. There were two reasons given for this change in decision. One, ACE did not feel that it was appropriate that one person should make the decision for the entire group, even though this had always been fine in the past (i.e. the city of Alliance). Two, they felt that RnD Energy's fee of up to .02 cents per therm for our service was excessive and added an additional layer of cost to the customer. Three, ACE did feel that it was appropriate for one ACE customer to obtain a price that was different from another ACE customer; the irony is that ACE, as has already been stated, offered different prices to different ACE commercial customers during the selection period as a course of normal business.

RnD Energy explained that the customer had retained us because the customer wanted us to make their decision for them. Furthermore, we explained that our customers all understood that our services were not free. In addition, we made it clear to ACE that our fee (anything from 0 cents per Therm to .02 cents per Therm) was not intended to exceed the value of the savings. Finally, we pointed out that ACE offered negotiated prices to single end user commercial receiving parties and to groups of commercial receiving parties. Ms. Stetler responded that none of these factors mattered because ACE was simply refusing to bid on RnD Energy's pool of customers, commercial or otherwise. When questioned about the rule prohibiting discrimination of similarly situated end users, Ms. Stetler said that Kinder Morgan had informed ACE that ACE was not required by law to provide a quote to RnD Energy or any of our customers.

Negotiations with Choice Gas Suppliers:
ONEOK Energy Marketing Company (ONEOK)

ONEOK Energy Marketing who participates in the Wyoming Choice Gas Program as the natural gas supplier for Wyoming Community Gas (similar in form and function to ACE) did not participate in our bid process because RnD Energy could not agree to ONEOK's terms and conditions which included the following:

- Payment made to consultant would be made monthly 15 days following the supplier file from Kinder Morgan, based on monthly actual usage rather than historical usage provided at the start of the program.
- Supplier would require a letter of credit from RnD Energy before any contract is signed.
- Due to the volatility of the Natural Gas Market a 24 hour open bid is not acceptable; supplier would require the ability to refresh a bid based on the then current market.
- The supplier's right to disclose the aggregation fee paid to consultant would not be kept confidential.
- Due to the possibility of inaccurate account numbers supplier has the right to alter bid 24 hours after bid is accepted by consultant and Kinder Morgan has verified all accounts released from consultant to supplier are valid.
- Consultant agrees to provide accounts numbers and corresponding control numbers to supplier upon immediate acceptance of bid.

RnD Energy response:

I understand some of your concerns, others I would like some clarification on. As to payment, I have to have some assurance that once I turn over the account numbers and control numbers that ONEOK will actually pay. If ONEOK is awarded the bid, I would consider allowing ONEOK to deposit the money into an escrow account until such time that all control numbers can be verified. I do not in any way want any of the suppliers to pay for something that they are not receiving. RnD Energy does not have any interest in keeping the aggregation fee confidential. All account numbers will be verified by Kinder Morgan prior to the award of the pooled volume. RnD Energy will of course provide all account numbers and corresponding control numbers immediately upon acceptance of bid as long as the payment of the fee is either distributed in the manner described in our (proposed) agreement (within one business day following Acceptance, Supplier will pay an amount equal to 50% of the fee multiplied by 75% of the historical volumes; and Upon Supplier's verification of the control numbers for the Customers, not to exceed 3 business days following the Acceptance, Supplier will pay the remaining portion of the amounts owing Consultant, being the remaining amount of 50% of the fee multiplied by 75% of the historical volumes, plus the fee multiplied by 25% of the historical volumes.)or if necessary into an escrow account.

As far as a letter of credit, is ONEOK requiring a letter of credit from every group that wants a negotiated price in WY and NE? Also, I was wondering if this is a new policy at

ONEOK? When I was a marketer for ONEOK, I do not remember ever having to require a LOC from a consultant. Furthermore, why is it that a letter of credit was never requested for any of the pools that ONEOK has bid on here in Colorado? I fail to see the difference between a pool of customers in Colorado that ONEOK had no trouble bidding on without a letter of credit but in WY and NE all of a sudden an LOC is necessary. Perhaps you could clarify this request and be more specific to the amount.

As to the requirement to leave the bid open for 24 hr period, I am merely using the Choice Gas guidelines. In all honesty I do not anticipate nor do I really want to stretch the bid out for a 24 hr period, I fully anticipate that a decision will be made within the shortest span of time possible, so as to minimize market risks. If ONEOK is the low bidder and if the market has moved significantly and ONEOK cannot hold the price, I will simply have to ask all suppliers to submit a new bid.

ONEOK response:

1) OEMC is not willing to pay on historical volume, which is why we would set up a monthly payment plan to pay on actual volume.
2) Please revise your contract to include a non confidentiality statement regarding your aggregation fee.
3) A line of credit is required to establish liability in the event of a hedge being placed and then receiving reduced volumes. For example we hedge based on the volume submitted by account numbers and the customer has chosen another supplier, or becomes inactive etc. This error would not be known to us until after the hedge was placed. OEMC would not take responsibility for this loss. The amount of credit required from you as the consultant would be equal to $0.10 a therm.
4) In respect to the bid process OEMC would require the right to establish whether the market has moved significantly enough to require a new bid and this would have to be written into the contract.
5) Please revise your contract to state that RNDENERGY will provide all account numbers and corresponding control numbers immediately upon acceptance of the supplier's bid.

RnD Energy's objections to ONEOK's terms and conditions will be described later in this report. When asked if an LOC was required of other end users pooled together ONEOK stated that what they did with other clients was none of our concern, but that RnD Energy would be required to post an LOC.

Negotiations with Choice Gas Suppliers:
Kinder Morgan Choice Gas Supply

Of the three suppliers, Kinder Morgan was the only Choice Gas supplier to provide a negotiated rate. They imposed no stipulation or conditions and they were more than willing to bid on the volume and provide us with a negotiated price. In an interview, Tom Mathews, stated that Kinder Morgan had “chose to bid on the RnD Energy pool of customers for two reasons. One, because they like to honor the decisions their customers make. But, perhaps most importantly, it just makes good business sense. Because most of their representatives are in Kearney, they spend a lot of money on advertising and getting the word out about Kinder Morgan to areas around the state. He noted if someone shows up on their doorstep with a large pool of people, that would help eliminate some costs in letting people not in the immediate area sign up.” It is worth pointing out that ONEOK’s offices are in Hastings NE and ACE’s offices are based in Lincoln NE.

Dissolution of RnD Energy Pool

After being left with only one supplier willing to provide a quote, RnD Energy decided to contact all of our clients and inform them that even though we were able to negotiate a rate for them it was unfortunately higher than the posted prices of the other two suppliers. We instructed our clients to make their own selection since RnD Energy was not able to negotiate a price that was lower than what they could obtain on their own. In a press release and subsequent mailing to our clients, we encouraged aggregation (Exhibit B).

Many of our former clients followed our advice and aggregated together with other individuals and businesses who were originally in our pool. Lisa Keening of Chadron Nebraska aggregated approximately twenty-five different commercial and residential customers together. She was the sole decision make for the group. She was able to obtain negotiated prices from all three suppliers.

No stipulations or additional requirements were placed on her or the pool. ONEOK did not require a irrevocable Letter of Credit from Lisa Keening even though the risk "of a hedge being placed and then receiving reduced volumes" still existed ("For example we hedge based on the volume submitted by account numbers and the customer has chosen another supplier, or becomes inactive etc."). ACE did not have any objection to Ms. Keening being the sole decision maker for the group. All bids from all the suppliers were held open for a full twenty-four hours. Mrs. Keening had no previous experience in the natural gas industry and was not a state approved aggregator.

Another group was formed by Donny Granthum. Mr. Granthum is a City Councilman for the city of Chadron and a local business owner. Mr. Granthum formed a pool of several different and unrelated commercial and residential end users. Mr. Granthum was the sole decision make for the group. He too was able to secure pricing from all three suppliers without the imposition of any stipulations, or additional requirements (again, such as an LOC). ACE did not object to Mr. Granthum being the sole decision maker for the group. All bids from all the suppliers were held open for a full twenty-four hours. Mr. Granthum had no previous experience in the natural gas industry and was not a state approved aggregator.

Lantis Enterprises, the parent company of a group of nursing homes across Nebraska, and an RnD Energy customer was exceptionally unhappy. I informed Ron Borgman, the Purchasing and Contracts Director at Lantis Enterprises, that ACE had notified us that they would not be willing to bid on any pooled or aggregated volumes RnD Energy represented (again, primarily, because RnD Energy would be the decision maker not the customer, that we were charging for our services, and because ACE did feel it was appropriate to give one ACE customer a different price from another ACE customer, except when they offered the negotiated price). I further explained that because of numerous and unreasonable conditions and because ONEOK would not agree to reimburse RnD Energy our fee in the manner we requested, we could not utilize them as a supplier. I made it clear that left only one supplier and that unfortunately that supplier's negotiated price was higher than posted prices of the other two.

At that point Ron asked if Lantis Enterprises could retain RnD Energy in order to negotiate the gas supply for their group of five facilities on their behalf. I told him that I was unsure whether or not the suppliers would deal with RnD Energy, since all the reasons the suppliers listed for not dealing with RnD Energy in the first place for an identical situation were still there. Particularly that: one, RnD Energy would still be working with a pool of customers, two, RnD Energy would still be the sole decision maker for the group, three, a supplier could wind up with decreased volumes (either by one of the individual facilities making a valid selection on their own or by one of the facilities becoming inactive), four, the customer was still paying RnD Energy, and five, a different price (if negotiated) would be given to Lantis Enterprises than to other customers. Lantis wanted decided to let us try to negotiate a price for them

When I contacted ACE and told them that I was representing a group of five different nursing homes operated by Lantis Enterprises and that I was seeking a negotiated group price for all five nursing homes as a group, they were all to willing to oblige. Furthermore, as soon as I told ONEOK that I was billing the customer directly, the other reasons they had previously sighted for why they could not provide a quote disappeared and were no longer a factor to ONEOK. Kinder Morgan Choice Gas Supply continued to be willing to provide a quote.

Ultimately, RnD Energy obtained several negotiated quotes from ACE, one of which turned out to be the lowest price. They gave us that price even though RnD Energy was still the one making the decision not the customer, the customer was still being charged, and a different price was still being given to Lantis Enterprises than what would be given to other customers. ONEOK provided a price offering which came in second. ONEOK provided this price without the requirement of an LOC, even though the risk of one of the facilities becoming inactive, consuming less volume, or the risk of one facility acting on its own and choosing a supplier after a hedge was made but before account numbers and control numbers could be verified, were all still present. Kinder Morgan provided a quote that ultimately came in third and was significantly higher than even the posted prices of the other two.

Conclusions

In conclusion, RnD Energy fervently believes that we were discriminated against by ONEOK and ACE during the 2006 Choice Gas Selection Period. RnD Energy asserts that these two suppliers deliberately violated the non-discrimination clause of the Code of Conduct contained in Kinder Morgan, Inc.'s September 8, 2004 Nebraska Gas Tariff Section 38.2E.

RnD Energy, and the individuals and businesses that we represent assert that ACE and ONEOK Energy Marketing deliberately attempted to circumvent the efforts of a select group of Nebraska citizens to form a collective buying group and retain someone with natural gas experience to act as their agent in selecting a natural gas supplier. We make these assertions based on the following facts:

1. That ACE refused to negotiate with RnD Energy and its pool of customers but did negotiate with other smaller pools of customers who had decision makers with very little or no experience in the natural gas market.

2. That ACE refused to negotiate with RnD Energy, because they did not want one ACE customer to have a different price than another ACE customer, but then proceeded to offer different negotiated prices to commercial end users who called ACE directly, and did offer a negotiated price to RnD Energy when the volume was significantly diminished.

3. That ACE refused to negotiate with RnD Energy, because RnD Energy was adding additional cost on to the customer by charging for our service, but did offer a negotiated price to a group of customers whose volume was significantly diminished and who was paying RnD Energy directly.

4. That ACE refused to negotiate with RnD Energy, on the grounds that RnD Energy would be the sole decision maker for the group, but did negotiate with other group's representatives who were acting as the sole decision maker for their group.

5. That ACE refused to negotiate with RnD Energy when we were the representative of one group, for the reasons listed above, but did negotiate with RnD Energy when we were the representative for different group. The only differences were that the second group had a much smaller volume than the first and RnD Energy was being compensated directly from the customer. All of the arguments ACE made for not bidding on the first group still applied to the second group that RnD Energy represented.

6. That ONEOK Energy Marketing encouraged customers to aggregate together and then call ONEOK in order to receive a "special group discount". The mailing was sent out just prior to the selection period. The mailer stated, "Sign up your family and neighbors with one call-and everybody saves! Last year we learned

that many customers wanted to sign up their parents and neighbors, too. So this year, you can – by simply gathering all their Choice Gas selection forms and making one call to us. We'll get everyone signed up with ONEOK Energy Marketing- at a special group discount." (Exhibit C). However, ONEOK refused to negotiate with RnD Energy's pool of customers, but did negotiate with other pools of similarly situated customers.

7. That ONEOK Energy Marketing required an Irrevocable Letter of Credit from RnD Energy but did not require similar financial instruments from other pools of customers or individuals. ONEOK stated that "A line of credit is required to establish liability in the event of a hedge being placed and then receiving reduced volumes. For example we hedge based on the volume submitted by account numbers and the customer has chosen another supplier, or becomes inactive etc. This error would not be known to us until after the hedge was placed. OEMC would not take responsibility for this loss." However, these risks are present when dealing with any individual customer or group of customers regardless of size and whether the decision maker is being compensated or not.

8. That ONEOK Energy Marketing would not hold any price offered to RnD Energy for a 24 hour period but did hold prices out for other groups of customers for a full 24 hour period.

9. That ONEOK Energy Marketing refused to negotiate with RnD Energy when we were the representative of one group, unless we met certain conditions (that again, were not imposed on other groups), but did negotiate with RnD Energy when we were the representative for different group without being required to meet those same requirements as with the first group. The only differences between the two groups were that the customer was paying RnD Energy directly and the volume was significantly reduced.

10. That ACE and ONEOK Energy Marketing Company did violate the rules of the Kinder Morgan Choice Gas Program by discriminating against similarly situated groups of customers.

We truly hope that the commission can promulgate rules to sufficiently protect energy consumers in Nebraska from being discriminated against merely because they have a representative who understands the natural gas market or because their collective buying group might be perceived by suppliers to be too large or too powerful. We also hope that the commission will find that ACE and ONEOK did violate the rules of the Kinder Morgan Choice Gas Program by discriminating against similarly situated customers and take the necessary legal action to rectify this grievous injustice.

Issues raised in NG-0035/PI-115

a. Whether the Commission should promulgate rules and regulations to address the relationship between aggregators and suppliers in a customer choice program? If so, what issue should be addressed?

After our experience in the 2006 Nebraska Choice Gas Program, RnD Energy is certainly of the opinion that the Commission should promulgate rules and regulations that address the relationship between aggregators and suppliers. Our primary concern is that suppliers will again try to "blackball" an aggregated group of customers because the person making the decision understands the market too well, or because the pools volume is viewed by the supplier to be large or to powerful. Suppliers should not be allowed to merely pick and choose which aggregated group or individual customers they deal with in the Choice Gas Program.

Since the suppliers are only required to match deliveries with receipts at the aggregate macroeconomic level by division, suppliers should be required to offer similar pricing on similarly sized customers with similarly oriented load factors, whether that load comes from one end user or numerous end users in the same division, including residential consumers.

Because of the fundamental differences in motives between a supplier and an aggregator, a supplier should not be allowed to also simultaneously be registered as an approved aggregator, nor should a supplier be able to promote itself as an aggregator.

b. Whether a natural gas supplier can refuse to negotiate with a duly certificated and recognized aggregator on the grounds of fitness to perform the service of an aggregator.

RnD Energy feels that it was detrimental to all classifications of customers when the natural gas suppliers refused to negotiate with any aggregator, especially one that was duly certified. Furthermore, RnD Energy feels that ultimately, given the contentions and adversarial roles of suppliers to aggregators it is the independent commission who should have the sole decision making authority to determine the fitness of an aggregator to perform. RnD also feels that if the individual customer feels that an aggregator has the ability to perform, then the natural gas supplier should be required to work with that aggregator as if he/she were the actual customer. RnD Energy believes the Choice Program is about the customer's choice, not the natural gas suppliers.

c. Whether failure to honor a customer's choice to use an aggregator's service in a choice gas program constitutes a violation of the non-discrimination clause of the Code of Conduct contained in Kinder Morgan, Inc.'s September 8, 2004 Nebraska Gas Tariff Section 38.2E.

As has already been stated, RnD Energy does believe that ACE and ONEOK Energy Marketing Company did violate the non-discrimination clause of the Code of Conduct, for all the reasons specified in the previous pages of this letter.

d. Whether aggregated pools of customers should be offered bids when not represented by a certificated aggregator.

RnD Energy is a firm believer in the right of free choice. If a customer has faith in their own ability to negotiate a price they should be allowed to do so. If they have faith in their neighbor to negotiate a better price for them, than they could on their own, they should have the right to have their neighbor make their selection. If they have more faith in a professional and wish retain that professional then they should be allowed to do so. If the natural gas suppliers are so adamant in supporting the customer's right to choose then they must also support the right of the customer to let someone else choose for them, if that is indeed the customers wish and choice.

Exhibit A

News Story Published On 5/4/2006

RnD Energy negotiates great rate

By Micah Sturr
Boomerang Staff Writer

A dime doesn't buy much anymore, but saving nearly a dime per therm of natural gas used in a chilly Wyoming winter adds up the Roosevelts quickly. For individuals, businesses and governments that chose to join RnD Energy's aggregation of gas customers during this spring's choice gas period, the dime is theirs.

RnD Energy's Rhett Shumway negotiated a fixed gas rate of $0.834 for the pool that includes Albany County, Fremont County, the cities of Casper and Lander, the Eppson Center and the Laramie Plains Civic Center, as well as numerous businesses and individuals. The average fixed rate posted by gas suppliers was $0.897 per therm. The market-based component, which is 25 percent of the total rate for those in the RnD pool, is the Colorado Interstate Gas Index plus $0.0408 per therm. The average posted market-based component was Colorado Interstate Gas Index plus $0.077 per therm, which adds up to roughly a dime savings for every therm of gas used. Even for households, it creates significant savings.

"For the first time, a residential person with no affiliation with the county, other than being a resident, or a business with no affiliation with the county, can get the same rate as the county or some of these other high-volume end users," Shumway said.

"For anybody who didn't (join), I'm terribly sorry, and I really mean that, because they left money on the table," Shumway said. "If you're a person sitting at home and you didn't join our pool, there's no way you could get a better price than we negotiated. There was never a posted price that was lower than what we negotiated."

Next year during the choice gas selection period, new individuals and businesses can join the pool and get the cheaper rate, however. And the more that join, potentially the more the rate falls when next year's negotiations begin.

The key to Shumway negotiating the sweetheart deal with Wyoming Producer Consumer Alliance was simply numbers. By banding together in an aggregate pool — the pool has more than 500 accounts that use more than 1.38 million therms — customers made themselves attractive to gas providers who were willing to compete and give low rates to get the entire pie.

Having Casper, Lander, Albany and Fremont counties on board gave Shumway significant leverage.

"I want to give a lot of credit to the governmental entities that joined this pool — in particular, Tim Chesnut of the Albany County Commissioners," Shumway said. "We're on par with the largest end users in the state, like the University of Wyoming and Natrona County Schools."

Chesnut said he thought many people and businesses were hesitant to join the pool in its first year because there was no track record for aggregations in Wyoming and significant history of them in the state. The county was willing to join the pool because Chesnut was confident that a professional gas broker couldn't get a worse rate than what the county was already getting, and the county is eager to save money.

"We felt we needed someone with our interest in mind," Chesnut said. "It looks like we did very well."

People liked avoiding the hassle of trying to make an informed decision on their own choice gas, too, Shumway said. Many didn't choose and simply defaulted to the pass on rate. Those people will likely pay more than a dime per therm more than their neighbors in the pool. The pass on rate in Laramie peaked at $1.06854 in October and November 2005, according to Kinder Morgan's Web site, and the pass on rate this month is $0.95490.

For more information of RnD Energy and Wyoming's aggregate gas pool, log on to www.rndenergy.com.

Exhibit B

KCSR Radio News Release

RnD Energy Will Not Be Able To Negotiate For Customers

By: Genell Rothleutner Posted at: 04/21/2006 04:30 PM

CHADRON - RnD Energy is announcing that because only one natural gas supplier is willing to negotiate on the pool of consumers aggregated with RnD that the company will not be able to negotiate for a bulk gas rate.

Rhett Shumway, one of the owners of RnD and a former Chadron resident, said that he and Dave Vastine the other owner and also a former Chadron resident, wanted to thank people for participating in the program.

He noted that RnD Energy has saved their customers thousands of dollars in Colorado and recently negotiated a price for their pool of customers in Wyoming which is currently more than ten cents lower than today's lowest posted price and is still lower than any price that has been posted by any supplier during this selection period to date.

Shumway said that they "view these stories as successes and testaments to the power that people have when they pool together. Unfortunately, RnD Energy will not be able to have the same success in Nebraska ."

Shumway said that one supplier was willing to bid; a second supplier first said they would bid on commercial, but not residential and then decided they did not want to bid at all; and the third wanted to impose stipulations that RnD felt would raise the price.

Shumway said, unfortunately, that the only bid is higher than the posted price, so they are recommending that the consumers who signed up as part of the pool make their own selection before the deadline and they hope the consumers can get a good price. He noted that they still encourage everyone to either join a pool or form a pool because it can make a difference.

Laura Demman, director of the Natural Gas Department for the Nebraska Public Service Commission, said that Shumway has authority from the commission to be an aggregator in the State of Nebraska. She noted her office had talked with Shumway and are in the process of collecting information and investigating why the suppliers will not work with the aggregator the pool of consumers chose to work for them. She noted if anyone has any questions, comments or complaints they can call her at 1-800-526-0017.

All of the natural gas suppliers have not returned calls yet about their decisions in this situation

Exhibit C

THE BENEFITS OF NATURAL GAS FROM ONEOK ENERGY MARKETING MAKE YOU FEEL WARM ALL OVER.

Sign up your family and neighbors with one call—and everybody saves! Last year, we learned that many customers wanted to sign up their parents and neighbors, too. So this year, you can—by simply gathering all their Choice Gas selection forms and making one call to us. We'll get everyone signed up with ONEOK Energy Marketing—at a special group discount!

Talk to a friendly representative, not a machine. When you call our toll-free number, press "zero" to connect with a personable, knowledgeable customer service representative who will help you make the best choice for your home or business.

Making your choice easier. We appreciate your business—and we want you to participate in the Choice Gas program because it can really save you money. So we take the time to answer your questions personally and honestly—with no obligation from you.

Hurry—your chance to choose ONEOK Energy Marketing ends May 1! Call today to enjoy the warmth of ONEOK Energy Marketing all year long!

Tenemos representates que hablan español.

1-877-274-5710 Toll Free
Press "0" to connect with a friendly Customer Service Representative.

Extended Telephone Hours April 18-May 1
Monday-Thursday: 7 a.m. to 10 p.m. Central
Friday: 7 a.m. to 7 p.m. Central
Saturday: 9 a.m. to 4 p.m. Central

ONEOK ENERGY MARKETING

www.oneokenergymarketing.com
Always a warm welcome.

- **Unmatched customer service** from friendly, knowledgeable representatives
- **Money-saving discounts** when you sign up family and neighbors with one phone call (See other side for details!)
- **Common-sense answers** help you make the best choice for your home or business
- **Competitive pricing** gives you more control over your utility bills
- **Reliable supply** from one of the nation's leading natural gas providers

JOIN THE THOUSANDS OF NEBRASKANS WHO HAVE WELCOMED NATURAL GAS FROM ONEOK ENERGY MARKETING INTO THEIR HOMES.

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